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14
15 **UNITED STATES DISTRICT COURT**

16 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

17 JASON HULLINGER, an
18 individual; BENJAMIN DE BONT,
an individual; and AGORA
19 SYSTEM LLC, a California limited
liability company,

20 Plaintiffs,

21 v.

22 KUNAL ANAND, an individual;
23 JULIEN BELLANGER, an
individual; and PREVOTY, INC., a
24 Delaware corporation,

25 Defendants.

Case No. 2:15-CV-07185-SJO-FFM

**DECLARATION OF TIANXIANG
ZHUO IN SUPPORT OF
DEFENDANTS U.S. VENTURE
PARTNERS XI, L.P., U.S. VENTURE
PARTNERS' AND KARLIN
VENTURES, LLC'S JOINT MOTION
FOR SUMMARY JUDGMENT, OR
ALTERNATIVELY, PARTIAL
SUMMARY JUDGMENT**

Date: March 20, 2017

Time: 10:00 a.m.

Ctrm: 10C

Judge: S. James Otero

Pretrial Conference: May 1, 2017

Trial Date: May 9, 2017

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DECLARATION OF TIANXIANG ZHUO

I, TIANXIANG ZHUO, declare and state as follows:

1. I was employed by Karlin Asset Management, Inc. from approximately August, 2012 until approximately mid-July 2016. My responsibilities throughout that time period principally included identifying early stage investment opportunities for the defendant Karlin Ventures, LLC ("Karlin Ventures"), taking care of the due diligence relating to such investment opportunities, and handling Karlin Ventures' investments in such start-companies once approved by Karlin Ventures' investment committee. I submit this Declaration in order to provide the Court with facts relevant to Karlin Ventures' motion for summary judgment. I have personal knowledge of the facts set forth below and, if called as a witness, I could and would testify competently thereto.

2. Karlin Ventures is an early-stage venture capital fund that is based in Los Angeles. Starting in May 2013 until approximately July, 2016, I was the person principally responsible for initiating, performing due diligence for, and managing Karlin Venture's investment in Prevoty, Inc. ("Prevoty"). In connection with my investment-related activities on Karlin Ventures' behalf relating to Prevoty, I was assisted from time to time by Arteen Arabshahi, who had just graduated from college in June 2013, and who was working at Karlin Ventures under my supervision. As described in more detail below, all of the due diligence that Karlin Ventures performed in connection with its investments in Prevoty was performed by myself and Mr. Arabshahi.

3. Karlin Ventures first learned about the existence of Prevoty in early May 2013 from LaunchPad LA ("Launchpad"). Launchpad is a startup accelerator, which principally offers selected start-up entities investment funds, office space and access to an investor network. In the 2013 time period, Launchpad regularly provided me on Karlin Ventures' behalf with information about the current class of start-up companies with which Launchpad was working. In providing such information,

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1 Launchpad does not make specific investment recommendations to Karlin Ventures.
2 Instead, it briefly describes the nature of the start-up's business and/or technology. If
3 Karlin Ventures is interested in any particular start-up as a potential investment,
4 Launchpad would arrange for an introduction.

5 4. I first heard about Prevoty in early May, 2013 in a discussion I had with
6 Sam Teller of Launchpad, in which he was bringing me up to date on the latest
7 Launchpad class of companies, which included Prevoty. Based on his brief
8 description, I asked a Karlin Ventures' intern named Suzanne Felipe to contact
9 Launchpad and ask Launchpad to put Karlin Ventures in touch with Prevoty. In
10 response to Suzanne's request to Launchpad, on May 7, 2013, Meredith Birchfield of
11 Launchpad sent an email to to Julien Bellanger and Kunal Anand, whom she
12 identified as the "Co-Founders of Prevoty", with a copy to me. We arranged a
13 meeting in Los Angeles to meet Mr. Bellanger and Mr. Anand and to hear more
14 about what they were working on at Prevoty.

15 5. I first met with Mr. Bellanger and Mr. Anand on May 14, 2013 at
16 Launchpad's office in Los Angeles. During that meeting, they informed me that
17 Prevoty was an early stage company involved in the real time application security
18 business. They told me that the company's technology was partially built, and that
19 they were working to improve it. There was no in-depth discussion then or any later
20 time of the technology itself or the development process for the technology, none of
21 which I would have understood in any event.

22 6. At that meeting, Mr. Bellanger and Mr. Anand identified Julien as
23 Prevoty's Chief Executive Officer and Kunal as the Chief Technology Officer. I also
24 learned at that meeting that there was no immediate investment opportunity available
25 for Karlin Ventures because Prevoty had already closed its "seed 1" round of funding,
26 in which Double M Partners and Plus Capital were the lead investors. I told them,
27 however, that I planned to keep in touch with them. At that time, I was intrigued by
28 what little I understood at the time about Prevoty's application security business, and

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1 I wanted to see if there might be a later opportunity for Karlin Ventures to invest in
2 Prevoty.

3 7. At my initial meeting with Mr. Bellanger and Mr. Anand, we also
4 discussed possible contacts that Karlin Ventures might have that might be of interest
5 to Prevoty where I could make introductions. Making such introductions is a
6 standard aspect of Karlin Ventures' business activities. In my experience, Karlin
7 Ventures often benefits from making such introductions to other potential investors
8 or potential customers. Karlin Ventures may benefit because a positive response
9 from other potential investors or possible customers who are knowledgeable in the
10 start-up's industry can serve to validate Karlin Ventures' own interest in a particular
11 start-up company. I also typically make such introductions where I can easily do so,
12 so that a start-up like Prevoty can see that an investment by Karlin Ventures might
13 provide potential non-monetary value. As it relates to Prevoty, the various
14 introductions that Mr. Arabshahi and I made on Karlin Ventures' behalf did not
15 provide significant value because, as far as I am aware, no one we introduced to
16 Prevoty became a Prevoty investor and only one entity became a Prevoty customer.

17 8. I recall making a couple of introductions to Prevoty between my initial
18 meeting in May and August 2013. As part of the email exchanges involved in
19 making those introductions, Mr. Bellanger sent me a short introduction paper and a
20 deck on SmartFilter, which Mr. Bellanger described as Prevoty's first product.
21 Copies of the introduction and deck that Mr. Arabshahi and I received from Mr.
22 Bellanger shortly after my initial meeting in May 2013 are attached as Exhibit A. At
23 no time either before or after it invested in Prevoty did Karlin Ventures receive any
24 detailed information about Prevoty's actual technology or how it came to develop its
25 technology.

26 9. In the July and August 2013 time period, both Mr. Arabshahi and I did
27 some additional background research online to better understand how Prevoty's
28 SmartFilter product compared to the online security platforms of what we perceived

1 to be Prevoty's principal competitors. In mid-August 2013, I discussed a possible
2 investment in Prevoty for the first time with Karlin Ventures' investment committee.
3 In anticipation of that discussion, Mr. Arabshahi and I asked Mr. Bellanger to send us
4 some "high-level" financials that he indicated he was working on. In making that
5 request, we let him know that we were mostly interested in Prevoty's short term
6 revenue, margin and burn projections.

7 10. On or about August 22, 2013, I met with Mr. Bellanger and told him
8 that Karlin Ventures would be willing to invest \$250,000 then or in the next
9 investment round. This was the amount that Karlin Ventures' investment committee
10 authorized at that time. Mr. Bellanger told me in response that Prevoty was not
11 raising funds at that time, but that he would plan to offer a spot to Karlin Ventures in
12 the next round of investments.

13 11. Karlin Ventures' first opportunity to invest in Prevoty came in
14 December, 2013, as part of Prevoty's second round of Seed Financing, in which
15 Double M and Plus Capital again were the lead investors. Karlin Ventures invested
16 only \$99,999.85, at that time, which was all that Prevoty allocated to Karlin
17 Ventures. Prior to making that investment, other than the due diligence discussed
18 above, Karlin Ventures limited its due diligence to a review of the financing
19 documents prepared by Prevoty and the lead investors. Because Karlin Ventures
20 itself was not a lead investor and because it was allocated such a small investment
21 amount, Karlin Ventures itself did not conduct its own legal or historical due
22 diligence on Prevoty. Instead, it relied on the fact that the lead investors had satisfied
23 themselves in their due diligence that Prevoty was appropriate for the substantially
24 greater dollar amount of investments that they were making as lead investors.

25 12. Following Karlin Venture's initial investment in December 2013, Mr.
26 Arabshahi and I continued to make occasional introductions to various individuals we
27 thought might be interested in investing in a company focused on web security space
28 technology or might be potential customers for Prevoty.

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1 13. Karlin Ventures made an additional investment totaling \$115,869.66 in
2 March 2015, as part of Prevoty's Series A Seed financing. As a result of that
3 additional investment, Karlin Ventures has a total ownership interest in Prevoty of
4 1.1%. In deciding to make that additional investment, which again was the most
5 Prevoty was willing to allocate to Karlin Ventures, Karlin Ventures relied on the
6 representations made in the Series A Preferred Stock Purchase Agreement and on the
7 due diligence performed by the lead investor in this round of funding, which was
8 U.S. Venture Partners XI, L.P. ("USVP"). More specifically, I did not seek any
9 access to any legal due diligence documents that USVP may have obtained in its role
10 as lead investor, and I did not request or authorize Mr. Arabshahi to seek such access
11 either. Instead, we relied on the fact that USVP had satisfied itself that there were no
12 due diligence issues that would prevent it from going forward as lead investor.

13 14. I have read the Plaintiffs' Third Amended and Supplemental Complaint
14 in this lawsuit ("Complaint"). Based on my review of the allegations specifically
15 relating to Karlin Ventures in Paragraphs 490 and 499 of the Complaint, I understand
16 that Plaintiffs are claiming that Karlin Ventures acquired information in due diligence
17 that showed that Plaintiffs Hullinger and DeBont had jointly worked with Kunal
18 Anand and Mr. Bellanger in a company called "Agora;" that Mr. Anand supposedly
19 stole technology that had been jointly developed by Mr. Hullinger, Mr. DeBont and
20 Mr. Anand; and that Mr. Anand had allegedly used that stolen technology in
21 developing Prevoty's business and products. These allegations about what Karlin
22 Venture supposedly knew are false. In connection with both of the Karlin Ventures
23 investments in Prevoty for which I was responsible, Karlin Ventures never learned
24 anything about any prior involvement of Mr. Hullinger or Mr. DeBont or Agora as it
25 related to any technology that Prevoty was using or promoting. I also never acquired
26 any information about any dissolution of Agora or any cancellation of its articles of
27 organization.

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1 15. In particular, I never saw or received from anyone in due diligence the
2 unsigned "Agora Systems LLC Operating Agreement" attached as Exhibit J to
3 Plaintiffs' Complaint. In addition, in connection with Karlin Ventures' investments in
4 Prevoty, I never arranged for Karlin Ventures to access or review any documents that
5 the Complaint alleges in Paragraph 264 and 265 were made available by Prevoty's
6 counsel. I can personally attest that no one on Karlin Ventures' behalf accessed or
7 reviewed any such documents.

8 16. The first notice that I had that Mr. Hullinger or Mr. DeBont or Agora
9 was claiming any wrongdoing by Mr. Anand or Mr. Bellanger as it relates to Prevoty
10 or Prevoty's technology was on or about September 9 or 10, 2015. At that time, I was
11 provided with a copy of a draft complaint against Mr. Anand, Mr. Bellanger and
12 Prevoty, sent by Plaintiffs' current litigation counsel Guy Ruttenberg (the "Draft
13 Complaint"). A true and correct copy of the Draft Complaint is attached as Exhibit
14 B.

15 17. The Draft Complaint I saw in September 2015 did not assert any claims
16 against Karlin Ventures or against any Prevoty investors other than Mr. Bellanger
17 and Mr. Anand. Having seen that draft complaint, I did not have any basis to believe
18 or know whether or not any of the allegations asserted against Prevoty, Mr. Anand
19 and Mr. Bellanger were true, nor was I made aware when the Draft Complaint was
20 filed in Court. As far as I know, Karlin Ventures' response to receiving the Draft
21 Complaint was to refer it to counsel.

22 18. Karlin Ventures did not make any further investment in Prevoty after it
23 received Plaintiffs' counsel's Draft Complaint. It did, however, continue to maintain
24 and support its existing limited Prevoty investment, including by making an
25 occasional introduction when requested to do so and by including Prevoty in
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1 19. occasional events involving others of Karlin Ventures' portfolio
2 companies.

3 20. I declare under penalty of perjury under the laws of the United States of
4 America, that the foregoing is true and accurate.

5 Executed on January 13, 2017, at Los Angeles, California.

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7

8 TIANXIANG ZHUO
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EXHIBIT A

EXHIBIT A

PREVOTY

SECURITY ON YOUR TERMS

SmartFilter Introduction

Protect your web applications from Cross-Site Scripting attacks

WHAT ARE CONTENT ATTACKS?

Today's Internet is powered and created by users. Innovative interaction models allow users to create more content than ever before. Unfortunately, malicious users have crafted sophisticated attacks embedded in content, referred to as Content Attacks.

The largest Content Attack is Cross-Site Scripting (XSS). Due to its simplicity of execution, XSS is one of the most common web attack vectors – up to 70% of all websites are vulnerable. Simply put, XSS is the execution of JavaScript in web/mobile browsers and rich clients. XSS typically happens when untrusted content is presented to a user. Until recently, XSS was typically used to deface websites or steal user cookies. Today, however, organized hackers have started using XSS as a spearhead to more complex targeted attacks. One such example is the theft of administrator cookies/credentials to further gather information from internal applications/databases.

The stakes have never been higher: aside from websites that ingest user input, companies that deploy collaboration tools/applications, such as SharePoint, are also vulnerable to targeted XSS attacks.

HOW CAN I PROTECT MY ORGANIZATION FROM CONTENT ATTACKS?

HOW TRADITIONAL APPLIANCES APPROACH THE ISSUE

Traditional security appliances, such as Web Application Firewalls (WAF), cannot accurately protect organizations from sophisticated XSS attacks. Since WAFs are extensions of network firewalls, they lack the contextual awareness of how content will be presented and persisted. In the case of a recent XSS attack against the Pentagon, a malicious string of content was able to bypass a WAF. The attacker was able to gain administrative credentials as well as access to confidential email.

Traditional appliances are dependent on past-signatures. Unfortunately, new attack variants, commonly referred to as "zero-day" exploits have the ability to bypass existing filters, making WAFs ephemerally invalid. This can create a false sense of security. Additionally, WAFs can ruin content fidelity as they lack an understanding of incoming content syntax and semantics.

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HOW SMARTFILTER PROTECTS ORGANIZATIONS FROM CONTENT ATTACKS

Prevoty has developed SmartFilter - a robust security solution that protects organizations from XSS attacks. From external web applications to internal SharePoint deployments, SmartFilter is designed to work in all segments of an enterprise.

At the core, SmartFilter focuses on a contextual security model. As an example, SmartFilter for websites can support two of the most significant contexts: how data will be presented and persisted/exchanged between data stores/servers. Rather than a firewall that intercepts every request/response, SmartFilter can be called on an ad-hoc basis. This allows for greater accuracy and better performance.

SmartFilter does not depend on definitions or heuristics like traditional scanners and WAFs. The technology is based around carefully constructed tokenizers, parsers, and profilers that in unison have the unique ability to perform syntactic/semantic operations on content. This gives SmartFilter a significant edge as a proactive solution: no remediation is required for new content attack vectors.

WHERE CAN I USE SMARTFILTER IN MY ORGANIZATION?

Web Applications – Designed to protect websites and users from XSS attacks. SmartFilter can be deployed as a binary/virtual machine (Linux), as an IIS add-on (Microsoft) or as a cloud-based solution. Cloud client libraries have been developed for C#, Go, Java, PHP, Python, and Ruby.

SharePoint – Designed to protect your organizations confidential and sensitive data in SharePoint from XSS attacks. SmartFilter can be installed as a plugin for SharePoint 2010 and 2013 editions.

FURTHER INFORMATION

Prevoty technologies have been deployed in mission-critical environments. For further information, please contact us at: information@prevoty.com

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PREVOTY
SECURITY ON YOUR TERMS

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Hackers have an infinite amount of time to prepare a cross-site scripting attack. Your web application has a split-second to defend itself.

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SMART FILTER

Classify trusted from malicious content while protecting integrity

Not a firewall - a contextual web security platform

No signatures or blacklists - “allow what you want” model

Delivers instant notifications and analytics around attack severity

PREVOTY 3

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TECHNOLOGY

Deconstructs and analyzes content like a web browser

Greater accuracy and performance over conventional firewalls; filter
is called before data is saved to the DB or presented to a user

Build site-specific rules to selectively allow content (HTML tags,
attributes, protocols, etc.)

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USE CASES

Remove all HTML/CSS, including all tags, attributes and protocols

Allow a subset of HTML and rich text

Balance HTML tags in user input (prevent template breaks)

Convert all links to a URL shortener/redirector (e.g. bitly)

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INTEGRATIONS

REST API with client-specific libraries (Go, Java, Node, Python, Ruby)

Virtual Machine for Linux-based environments

Microsoft ISAPI module for IIS (covers ASP.NET sites and SharePoint)

PREVOTY

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EXHIBIT B

EXHIBIT B

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From: Guy Ruttenberg <Guy@ruttenbergiplaw.com>
Sent: Tuesday, September 08, 2015 8:30 PM
To: steve.k@usvp.com; dafina.t@usvp.com
Cc: eric@ingroup.com; tim.merel@digi-capital.com; david@karlinam.com; Bassil Madanat; William Stevens
Subject: Impending Litigation Against Prevoty, Kunal Anand and Julien Bellanger (Time-Sensitive)
Attachments: 9-8-2015 Letter from G. Ruttenberg to S. Krausz and D. Toncheva .pdf; 9-8-2015 Draft Complaint.pdf

Dear Mr. Krausz and Ms. Toncheva:

Please see the attached letter and draft Complaint. As detailed in the letter, by the end of the week, we intend to file suit in Federal Court against Prevoty, Anand and Bellanger on behalf of our clients Jason Hullinger, Benjamin de Bont and Agora Systems, LLC. We invite you to meet with us in advance.

Please confirm your receipt of this email.

Best regards,
Guy Ruttenberg
Ruttenberg IP Law, A Professional Corporation
1801 Century Park East, Suite 1920
Los Angeles, CA 90067
Office: +1 310 627 2271
Mobile: +1 213 268 1270
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A PROFESSIONAL CORPORATION

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Tel: (310) 627 2270 Fax: (310) 627 2260

September 8, 2015

VIA EMAIL

Mr. Steve Krausz, General Partner (steve.k@usvp.com)
Ms. Dafina Toncheva, Partner (dafina.t@usvp.com)
U.S. Venture Partners
2735 Sand Hill Road
Menlo Park, CA 94025

RE: Impending Litigation Against Prevoty, Inc., Kunal Anand & Julien Bellanger

Dear Mr. Krausz and Ms. Toncheva:

I write to alert you of an impending lawsuit against one of your portfolio companies—namely, Prevoty, Inc. (“Prevoty”). My firm and I represent Jason Hullinger, Benjamin de Bont and Agora Systems, LLC (“Agora”). On behalf of my clients, we intend to initiate litigation against Prevoty and its co-founders Kunal Anand and Julien Bellanger no later than close of business on Friday, September 11, 2015. As detailed in our Complaint (enclosed), my clients have strong claims to ownership of Prevoty’s stock, technology and other property. I understand that U.S. Venture Partners (“USVP”) led a Series A investment round in Prevoty earlier this year. I also understand that the two of you serve as board members for Prevoty. As a courtesy, I wanted to raise these issues with you directly, with the hope that we could explore a resolution, before filing litigation.

Several years ago, Hullinger, de Bont and Anand collaborated to develop an application security monitoring system for managing internet-based user-generated content. The three formed a business around this technology, and they agreed to register their company as a California limited liability company (namely, Agora). Hullinger, de Bont and Anand expressly agreed that each of them owns one-third of the company. Anand was tasked with filing the relevant paperwork with the California Secretary of State. Anand confirmed (in writing) that he, Hullinger and de Bont each own one-third of Agora. Indeed, Anand represented to Hullinger and de Bont (in writing) that he had recorded all three individuals as equal members/owners of the LLC.

Agora made significant progress advancing on the technology, commercial and investment front. The three individuals (Hullinger, de Bont and Anand) spent more than a year developing the technology, which was incorporated into various embodiments, including a product called “Agora Blue.” The company also developed detailed technology documents and proprietary software for enabling this technology. Agora provided various proposals to notable social media companies. Agora earned modest revenue, which was deposited in the company’s Wells Fargo Bank Accounts (where Hullinger and Anand held signing authority). Hullinger, de Bont and Anand assembled detailed investment decks, which were presented to prominent VC firms—with positive feedback. The three also created internal business documents, with titles and anticipated salaries for each. Notably, Anand held himself out as the CEO of Agora.

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Steve Krausz and Dafina Toncheva
September 8, 2015
Page | 2

Anand introduced his friend Julien Bellanger to my clients in late 2012. Anand provided Bellanger with an email account on the Agora network, and included Bellanger in the management's internal emails concerning technology and investment opportunities, among other things. At one point, Anand proposed to de Bont that Bellanger might come on board as CEO of Agora, with Anand presumably taking over as CTO. I understand that Bellanger serves as CEO of Prevoty, with Anand serving as CTO.

Through the Agora entity, Hullinger, de Bont and Anand also committed to patent their technology—with the obligation to assign the patent to Agora. Anand represented to de Bont and Hullinger that he was in the process of preparing patent applications on the company's technology. He forwarded a proposal from the Cooley law firm, and recommended that Agora engage the firm. Anand also confirmed—in writing—that he, de Bont and Hullinger would all be named as inventors on the prospective patents (to the exclusion of Bellanger), given Bellanger's late arrival after the three founders had already developed the technology.

All of these efforts came to an abrupt standstill on February 18, 2013. On that date, Anand informed Hullinger and de Bont that he was unilaterally shutting down the company because of his own personal problems. (Anand cited his parents' divorce as the reason.) Anand immediately shut out Hullinger and de Bont from their Agora email accounts and physically closed off their access to technical and other documents on the Agora network.

But Anand did not simply shut down the company; rather, he and Bellanger conspired to misappropriate Agora's physical and intellectual property, re-start Agora under a new name (Prevoty, Inc.) and exclude Hullinger and de Bont from the company. Public records show that Bellanger registered the prevoty.com domain name on February 10, 2013—even before Anand informed my clients that he was shutting down Agora. Anand and Bellanger registered Prevoty as a Delaware Corporation on March 6, 2013. On March 15, 2013 (a little more than three weeks after his purported shut-down of Agora), Anand filed the promised patent applications on Agora's technology—except Anand failed to name Hullinger and de Bont as co-inventors. Anand then assigned Agora's patents to Prevoty. Building on the momentum generated by my clients, Anand and Bellanger used Agora's source code, proprietary information and other technology to create Prevoty. Anand and Bellanger quickly created an investor deck for Prevoty by recycling information from the Agora presentations. Apparently, Anand and Bellanger completed their first seed round by May 20, 2013—only three months after informing my clients that he was shutting down Agora—with another seed round following in December 2013.

Anand and Bellanger tried to cover their tracks. As explained above, they physically shut off my clients' access to their emails and other documents. Initially, in response to an inquiry from Hullinger, Anand pretended that Prevoty had nothing to do with security or Agora's business. Then, on October 24, 2014, Anand proceeded to dissolve Agora as a limited liability company. Despite his written assurances to de Bont and Hullinger that they were equal co-members of Agora, Anand falsely represented to the California Secretary of State that he was the sole member and that all members of Agora had voted for dissolution. Based on Anand's false representations, the California Secretary of State dissolved the company. Compounding his earlier misconduct, Anand later emptied Agora's bank accounts and kept the cash for himself—and proceeded to close the accounts. Our investigation has been able to confirm the salient facts alleged in the Complaint.

My clients' claims are legally and morally correct. Anand and Bellanger defrauded and breached their fiduciary duties to my clients. My clients are the true owners of Prevoty—including

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Steve Krausz and Dafina Toncheva
September 8, 2015
Page | 3


the company's patents, source code, technology and other assets. Among other things, my clients will ask the Court to (i) re-institute Agora under California Government Code § 12261(a)(1) and/or 12261(a)(2); (ii) expel Anand and Bellanger as members of Agora under Cal. Corp. Code § 17706.02(e); (iii) correct the inventorship of the patents to add my clients as inventors under 35 U.S.C. § 256; (iv) order assignment of the patents to Agora; (v) order restoration of all intellectual and personal property to my clients; (vi) assess damages—including punitive damages; and (vii) declare that my clients are the true owners of Prevoty. We are also likely to bring claims for patent infringement and copyright infringement once Agora is revived and the technology is assigned to Agora.

We are also investigating whether other third parties—including investors and board members—may have knowingly aided the misconduct described in the Complaint. Surely, a proper due diligence should have revealed my clients' role and many of the facts alleged in the Complaint. In responding to this letter, it would be helpful to know to what extent the investors and board members have known of the facts alleged in the Complaint.

My clients have opted to reach out to you in an effort to resolve this matter before proceeding to litigation. To the extent these allegations come as a surprise to you, my clients also wanted to give you an opportunity to address this wrongdoing. That said, time is of the essence for my clients, and they want these egregious wrongs remedied immediately. Given the past fraud and misappropriation, we are also concerned that available funds and documents will disappear. Accordingly, my clients presently intend to file their Complaint by close of business on Friday, September 11, 2015. Extending that deadline will likely require assurances or security arrangements. I am available to speak or meet with you before that deadline. We also reserve the right to file our Complaint earlier than that if we do not hear back from you with a meaningful response upon your receipt of this letter.

If you would like to contact me directly, I am available to speak by phone at (310) 627-2270 or by email at guy@rutenberglaw.com. Thank you in advance for your prompt attention to this matter.

Best regards,


Gary Rutenberg
Rutenberg IP Law, A Professional Corporation

Enclosures

cc:

Mark Mullen, Double M Partners, LP
Eric Hahn, Inventures Group
Tim Merel, Digi-Capital
Shirya Akamine, Core Ventures Group
David Cohen, Karlin Ventures

Via U.S. Mail Only
Via Email Only: eric@ingroup.com
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USVP_00373

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Draft

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Jason Hullinger, Benjamin de Bont and
8 Agora Systems, LLC

9 **UNITED STATES DISTRICT COURT**
10 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

11 JASON HULLINGER,
12 an individual,
13 BENJAMIN DE BONT,
14 an individual,
15 AGORA SYSTEMS, LLC,
16 a California limited liability
17 company,

18 Plaintiffs,

19 v.

20 KUNAL ANAND,
21 an individual,
22 JULIEN BELLANGER,
23 an individual,
24 PREVOTY, INC.,
25 a Delaware corporation,

26 Defendants.
27
28

Case No. _____

**COMPLAINT AND DEMAND FOR
JURY TRIAL FOR:**

1. JUDICIAL REINSTATEMENT OF AGORA
2. WRONGFUL DISSOLUTION OF AGORA
3. JUDICIAL ORDER TO EXPEL
4. CORRECTION OF INVENTORSHIP
5. BREACH OF FIDUCIARY DUTY
6. DECLARATORY JUDGMENT OF OWNERSHIP OF INTELLECTUAL PROPERTY
7. DECLARATORY JUDGMENT OF OWNERSHIP OF PREVOTY
8. AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
9. FRAUD
10. MISAPPROPRIATION OF TRADE SECRETS
11. VIOLATION OF LANHAM ACT
12. VIOLATION OF CA UNFAIR COMPETITION LAW § 17200
13. CONVERSION
14. TRESPASS TO CHATTELS
15. CIVIL CONSPIRACY

JURY TRIAL DEMANDED

COMPLAINT

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COMPLAINT

Plaintiffs Jason Hullinger, Benjamin de Bont and Agora Systems, LLC (collectively "Plaintiffs"), by and through their undersigned attorneys, complain as follows:

NATURE OF ACTION

1. This action arises from Defendant Kunal Anand's blatant breach of his fiduciary duties as a co-member, managing member and CEO of Agora Systems, LLC ("Agora") and subsequent misappropriation of intellectual property and other proprietary information and property rightfully owned by Agora, to the detriment of the company and its other co-founders, Jason Hullinger and Benjamin de Bont.

2. Despite what appeared to be a productive and trustworthy business relationship between Anand, Hullinger and de Bont, Anand ultimately defrauded the latter two members, unilaterally dissolved Agora, surreptitiously formed a competing business, Prevoty, Inc. ("Prevoty"), and misappropriated Agora's online security technology and source code for use in conjunction with Prevoty's business. Defendant Bellanger willingly and knowingly assisted Anand in these actions.

3. By this action, Plaintiffs seek, among other things, judicial reinstatement of the wrongfully dissolved Agora, a declaratory judgment reinstating Plaintiffs' title to their physical and intellectual property that was wrongfully converted by the defendants, injunctive relief halting the defendants' ongoing misappropriation and infringement of Plaintiffs' intellectual property rights, and damages for the numerous violations that the defendants have committed thus far.

PARTIES

4. Plaintiff Jason Hullinger ("Hullinger") is an individual residing in Los Angeles, California.

5. Plaintiff Benjamin de Bont ("de Bont") is an individual residing in Seattle, Washington.

6. Plaintiff Agora Systems, LLC ("Agora") was a limited liability company

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1 organized under the laws of California. Agora was wrongfully dissolved, and this
2 action seeks (among other things) to reinstate the company.

3 7. Defendant Kunal Anand ("Anand") is an individual residing in
4 Calabasas, California.

5 8. Defendant Julien Bellanger ("Bellanger") is an individual residing in Los
6 Angeles, California.

7 9. Defendant Prevoty, Inc. ("Prevoty") is a corporation organized and
8 existing under the laws of Delaware, having its principal place of business in Los
9 Angeles, California.

10 **JURISDICTION AND VENUE**

11 10. This Court has subject matter jurisdiction for this action pursuant to 28
12 U.S.C. §§ 1331, 1338 and 1367.

13 11. This Court has personal jurisdiction over Defendants because, among
14 other things, Defendants are California citizens and residents of the State of
15 California, and they live and work in this Judicial District. Defendant Prevoty
16 maintains a business location in the State of California, and transacts business by
17 promoting, advertising and selling products and/or services in the State of California,
18 including products and/or services that infringe Plaintiffs' intellectual property rights.

19 12. Venue is proper under 28 U.S.C. §§ 1391 (b) and (c) because, among
20 other things, all Defendants are residents of this Judicial District and the State of
21 California. In addition, a substantial part of the events or omissions giving rise to
22 Plaintiffs' claims occurred in this Judicial District, and a substantial part of the
23 property that is the subject of this action is situated in this Judicial District.
24 Defendants also operate at least one office location within this District, transact
25 business within this District and promote, advertise and sell their infringing products
26 and/or services in this District.

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FACTUAL BACKGROUND

Hullinger, de Bont and Anand Are Co-Founders of Agora

13. Hullinger, de Bont and Anand partnered to create a company whose purpose would be to develop an application security monitoring system for managing internet-based user-generated content. Specifically, the technology would use a new method of parsing, tokenizing and data filtering (called content transformation) to prevent malicious users from attacking applications and networks in order to gain sensitive information from other users or the system's database. In doing so, the technology would reduce the risks of various content injections, such as cross-site scripting (XSS) and structured query language (SQL) injections, by these malicious users.

14. To formalize their relationship, Hullinger, de Bont and Anand agreed to form Agora as a California limited liability company.

15. Hullinger, de Bont and Anand agreed that each of them would own an equal share of Agora.

16. The three co-founders further agreed that each of them would hold an officer position within Agora. Anand held the title of Chief Executive Officer (CEO), Hullinger held the title of Chief Technology Officer (CTO) and de Bont held the title of Chief Operating Officer (COO).

17. Anand was tasked with filing paperwork with the California Secretary of State memorializing the co-founders' relationship and understandings. Anand registered Agora with the California Secretary of State on or about February 22, 2012. The Articles of Organization for Agora indicate that the limited liability company would be managed by all of its members.

18. On March 30, 2012, Anand filed Agora's Statement of Information with the California Secretary of State, identifying himself as the sole managing member of Agora.

19. On May 1, 2012, Anand sent Hullinger and de Bont an email

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1 representing that the "LLC has been amended" to include both of them as co-
2 founders (the "May 1, 2012 email"). In the May 1, 2012 email, Anand represented
3 that the "revised Statement of Information document has been sent to the State of
4 California." Addressing the members' respective ownership interests, Anand wrote:
5 "Since there's an uneven percentage with there being 3 co-founders, it is set up as:
6 Ben: 33.33%[,] Jason: 33.33%[,] Kunal: 33.34%." Anand continued: "We can
7 change these percentages without going through the state – we can
8 rock/paper/scissors for the .01%." A true and correct copy of the May 1, 2012 email
9 is attached hereto as Exhibit A.

10 20. Hullinger and de Bont reasonably and justifiably relied upon Anand's
11 representations in the May 1, 2012 email, as well as other representations, promising
12 that the California Secretary of State records would reflect the equal ownership and
13 membership of each of Anand, Hullinger and de Bont. Hullinger and de Bont
14 believed that the California Secretary of State records were amended to reflect their
15 ownership interests, as promised by Anand.

16 21. Relying on Anand's representations, Hullinger and de Bont continued to
17 collaborate with Anand as part of Agora. Over the course of 2012, the three worked
18 together to develop security software technology, including a product that they
19 promoted under the name "Agora Blue."

20 22. Through Agora, Hullinger, de Bont and Anand also worked together to
21 reach out to prospective investors and potential customers, holding themselves out as
22 co-founders of Agora, as well as a "cohesive and hard-working team," in pitch decks
23 and presentations.

24 23. In conjunction with developing security software technology including
25 Agora Blue, the three (Hullinger, de Bont and Anand) also collaborated to develop
26 source code for the technology ("Agora Blue Source Code").

27 24. Hullinger, de Bont and Anand promoted Agora Blue as a product
28 developed for and owned by Agora. For example, Agora's Company Information

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1 PowerPoint (the "Company Information PowerPoint"), which was intended for
2 distribution to potential investors, stated: "Agora makes data safe through
3 *revolutionary* security appliances and professional services [The] [f]irst product
4 is Agora Blue – developed and tested over the last year[.]"

5 25. While developing their flagship Agora Blue technology, Hullinger, de
6 Bont and Anand also worked to establish the structure and operations of Agora. For
7 example, the team registered the domain name agorasec.com, and each of the three
8 co-founders was assigned an email account ending with @agorasec.com.

9 26. The three co-founders also collaborated to create detailed financial
10 projections outlining their working capital, disbursements, costs and staff needs. As
11 reflected in these financial projections, each of the three co-founders was expected to
12 draw an annual salary of \$175,000.

13 27. On or around May 21, 2012, Agora entered into an agreement with a
14 customer, through which Agora was retained and compensated to perform an
15 "Application Penetration Test to assess the level of security awareness evident in the
16 design of [the customer's] web sites and API's to estimate the likelihood of
17 application issue." Agora utilized the application security monitoring technology
18 developed by Hullinger, de Bont and Anand to complete the Application Penetration
19 Test by June 8, 2012.

20 28. The three co-founders also agreed to open bank accounts for Agora. On
21 or around June 8, 2012, Anand and Hullinger opened four bank accounts for Agora
22 in Los Angeles, with each of them having signing authority over the accounts.
23 When the accounts were created, de Bont was not in Los Angeles and therefore
24 could not be added to the accounts. Per the May 1, 2012 email, it was anticipated
25 that de Bont would be added as a signatory to the accounts at a later time.

26 29. Throughout 2012, Anand repeatedly acknowledged to potential
27 customers and investors that he, Hullinger and de Bont were co-founders of Agora.
28 On or around July 19, 2012, a prospective investor noted that Hullinger, de Bont and

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1 Anand were "an exceptionally talented team." On or around July 20, 2012, Anand
2 wrote to his two co-founders (Hullinger and de Bont) noting that the prospective
3 investor was "impressed with us as a team."

4 **Anand Introduces Bellanger**

5 30. In or around December 2012, Anand introduced Hullinger and de Bont
6 to his friend, Defendant Bellanger. Anand told Hullinger and de Bont that Bellanger
7 had strong industry connections and could be very helpful in securing investment
8 funding for Agora. Based on these potential connections, Anand suggested that
9 Bellanger join Agora.

10 31. On or around January 12, 2013, Anand sent an email to Hullinger and de
11 Bont, confirming that he "just gave Julien an Agora email (julien.bellanger)."

12 32. By receiving an email account on the agorasec.com domain, Bellanger
13 also received access to Agora's confidential and proprietary materials.

14 33. On information and belief, Bellanger and Anand discussed various
15 possible roles for Bellanger as part of Agora. On information and belief, it was
16 contemplated that Bellanger might act as an advisor for Agora. At one point, it was
17 proposed that Bellanger might assume the position of CEO at Agora. However, de
18 Bont and Hullinger never agreed to give up any equity or ownership interest in
19 Agora at any time.

20 34. Although Bellanger's role at Agora was not finalized, he became privy
21 to communications regarding pitches to customers, funding ideas and optimization
22 of the Agora Blue technology, putting him in a special position of trust with respect
23 to Agora and its members. To be sure, after Bellanger became involved with Agora,
24 he worked with Hullinger, de Bont and Anand to pitch the company to various
25 potential customers. Anand included Bellanger in Agora's strategic decisions and
26 fundraising efforts.

27 35. For example, on February 5, 2013, Anand sent Hullinger, de Bont and
28 Bellanger a status report on Agora's progress with its demos for two potential social

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1 networking customers. In the status report, Anand indicated that Agora was getting
2 “closer to a commercial agreement – something that’s really going to be helpful for
3 fundraising.”

4 36. By taking on a role with Agora, holding himself out as a part of the
5 company’s team, and accepting access to the company’s proprietary and confidential
6 materials, Bellanger also undertook fiduciary obligations to Agora and its members,
7 including Hullinger and de Bont.

8 **Agora Planned to Seek Patent Protection**

9 37. As part of their innovation strategy, the Agora members decided to
10 patent their proprietary technology, including the technology underlying Agora
11 Blue.

12 38. In late 2012 or early 2013, the co-founders searched for counsel who
13 could help them secure patent protection. Acting on behalf of the LLC, Anand
14 interviewed potential law firms, and forwarded along to Hullinger and de Bont at
15 least one proposal from a major national law firm.

16 39. Anand, Hullinger and de Bont recognized that they worked together on
17 the technology underlying Agora Blue and, therefore, that each should be identified
18 as an inventor on any prospective patent applications.

19 40. Despite Bellanger’s new involvement with Agora, the original co-
20 founders reaffirmed that each of them should be listed as inventors on any patents
21 relating to the Agora Blue—to the exclusion of Bellanger, who had joined later and
22 therefore did not contribute to conception of the technology. Bellanger was of the
23 same view.

24 41. On or about February 5, 2013, Anand explicitly confirmed to Hullinger
25 and de Bont that “[Bellanger] is not on the patents -- he joined after the IP was
26 developed . . . he already knows that . . . the ‘inventors’ of the patent will be us
27 three . . . for [B]lue itself.” Anand further indicated that things were “all starting to
28 come together.”

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Anand's Unilateral Shutting-Down of Agora

42. Anand and Bellanger conspired to misappropriate Agora's physical and intellectual property, re-start Agora under a new name (Prevoty, Inc.) offering substantially the same products and services as Agora, and shut out Hullinger and de Bont from the company.

43. On or around February 18, 2013, Anand told Hullinger and de Bont that he would be unilaterally shutting down Agora's email and network, citing his parents' divorce as the primary factor.

44. On or around February 18, 2013, Anand unilaterally cut-off Hullinger's and de Bont's access to their agorasec.com email accounts and cut-off their access to other documents stored on the agorasec.com network.

45. As a result of Anand's actions, Hullinger and de Bont had no way of accessing much of Agora's materials. They also could not communicate through their agorasec.com email accounts.

46. On October 24, 2014, Anand unilaterally filed a Certificate of Cancellation for Agora with the California Secretary of State. In the filing with the California Secretary of State, Anand purported to be the sole member of Agora. In the same document, Anand further represented that the dissolution of Agora "was made by the vote of all of the members."

47. Anand's statements on the Certificate of Cancellation were materially and willfully false. Anand was not the sole member of Agora. Indeed, his statement to this effect directly contradicts his agreement with Hullinger and de Bont that the three were equal members and co-founders of Agora. Contrary to his statement, there was no "vote of all of the members" of Agora authorizing dissolution of the LLC.

48. Anand's statements on the Certificate of Cancellation also suggest that, contrary to his promises and representations in the May 1, 2012 email, Anand did

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1 not file papers with the California Secretary of State reflecting the true ownership
2 percentages and membership status of Hullinger, de Bont and himself.

3 49. Anand did not seek consent from either Hullinger or de Bont to file the
4 Certificate of Cancellation. Hullinger and de Bont did not consent to any dissolution
5 of Agora, much less Anand's filing of the Certification of Cancellation.

6 50. Anand also did not provide Hullinger or de Bont notice that he was
7 filing the Certificate of Cancellation.

8 51. Although purporting to shut down Agora, Anand failed to properly wind
9 up the company. For example, Anand did not distribute to Agora's members any of
10 the company's remaining assets, including intellectual property, cash assets and
11 other property belonging to Agora.

12 52. Anand also embezzled the cash assets of Agora by withdrawing all cash
13 from the Agora bank accounts, without making any distribution to the other
14 members. Over a period of months, Anand slowly deducted money from the Agora
15 bank accounts.

16 53. On or around June 6, 2015, Anand withdrew the remaining balances
17 from Agora's four bank accounts. A true and correct copy of Anand's last
18 withdrawal confirmation from Agora's main account is attached hereto as Exhibit B.

19 54. Anand did not notify Hullinger or de Bont that he was withdrawing
20 funds from Agora's accounts.

21 55. Anand also unilaterally closed Agora's bank accounts without notifying
22 Hullinger or de Bont.

23 **Creation of Prevoty & Misappropriation of Agora's Intellectual Property**

24 56. Bellanger and Anand made preparations to exclude Hullinger and de
25 Bont even before Anand shut out his original co-founders from their email accounts
26 and the company's share drive on February 18, 2013.

27 57. Bellanger registered the domain name Prevoty.com on or around
28 February 10, 2013.

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1 58. On or around March 6, 2013, Bellanger and/or Anand incorporated
2 Prevoty, Inc. ("Prevoty") as a Delaware corporation. Corporate documents for
3 Prevoty identify Bellanger and Anand as executive officers and directors of the
4 company. Bellanger is identified as co-founder and CEO of Prevoty on the
5 company's website, while Anand is identified as co-founder and CTO.

6 59. Prevoty offers the same or substantially the same security services as
7 Agora.

8 60. For example, Prevoty offers security software for minimizing the risks
9 of malicious cross-site scripting and SQL injections, which may compromise user or
10 database information.

11 61. According to Prevoty's website, www.prevoty.com, "Prevoty is a
12 security software company dedicated to protecting users and enterprises by solving
13 the difficult challenges related to application security." Prevoty's website also states
14 that the company "has developed an application security engine that monitors and
15 protects your applications at runtime[.] . . . providing real-time visibility into what
16 threats the applications are actually seeing and the option of transforming or
17 blocking content and database queries so that everything the application processes is
18 safe."

19 62. On information and belief, Prevoty uses the same or substantially the
20 same proprietary source code, or a derivation thereof, as the source code developed
21 by Hullinger, de Bont and Anand at Agora.

22 63. On March 15, 2013, Anand filed two patent applications with the United
23 States Patent & Trademark Office (the "PTO"): U.S. Patent Application No.
24 13/839,622 (the "622 Application") entitled "Systems and Methods for Tokenizing
25 User-Generated Content to Enable the Prevention of Attacks" and U.S. Patent
26 Application No. 13/839,807 (the "807 Application") entitled "Systems and Methods
27 for Parsing User-Generated Content to Prevent Attacks." Both applications list
28 Anand as the sole inventor.

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1 64. On August 4, 2015, the '807 Application issued as U.S. Patent Number
2 9,098,722 (the "'722 Patent"), listing Anand as the sole inventor, with Prevoty as the
3 assignee.

4 65. The '622 Application is still pending before the United States Patent &
5 Trademark Office.

6 66. Not surprisingly, the systems and methods described in the '722 Patent
7 and '622 Application mirror the technology developed by Hullinger, de Bont and
8 Anand while they were building and promoting Agora, namely, the Agora Blue
9 technology.

10 67. The technology underlying Agora Blue is substantially equivalent to the
11 claimed inventions recited in the '622 Application and '722 Patent, and is the same
12 or substantially similar technology offered by Prevoty today.

13 68. The '622 Application and the '722 Patent describe systems and methods
14 to secure user generated content using tokenization and parsing. Tokenization is a
15 process by which user-generated content is tagged into defined categories for further
16 security processing. Parsing is the process of identifying and removing non-standard
17 and malicious content.

18 69. The claimed inventions recited in the '622 Application and '722 Patent
19 were conceived of and developed by Hullinger, de Bont and Anand in their
20 respective roles at Agora, as the company was attempting to productize new modes
21 of application security monitoring.

22 70. The claimed inventions of the '622 Application and '722 Patent belong
23 to Agora. By unilaterally assigning the '622 Application and the '807 Application to
24 Prevoty, Anand and Prevoty have unlawfully taken possession of these applications,
25 which rightfully belong to Agora.

26 71. On information and belief, Anand and Bellanger secretly collaborated to
27 develop Prevoty, a competing business, while still working with Hullinger and de
28 Bont at Agora.

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1 72. On information and belief, Bellanger encouraged Anand to dissolve
2 Agora, establish Prevoty and exclude Hullinger and de Bont from the new company
3 in order to exploit the benefits of Hullinger and de Bont's efforts for themselves.

4 - 73. On information and belief, Bellanger assisted Anand in incorporating
5 Prevoty and procuring internet space for the new company.

6 74. As a member and officer of Agora, Anand maintained a position of
7 special trust in the company, and was under a fiduciary duty to assign to Agora any
8 and all intellectual property that was conceived of and developed while at Agora and
9 that related to Agora's business.

10 75. Defendants' unlawful use of Agora's intellectual property and
11 proprietary information has allowed Prevoty to divert a substantial amount of
12 investor funding away from Agora by capitalizing on the substantial effort and
13 goodwill Hullinger and de Bont contributed to Agora. For example, following
14 Anand's dissolution of Agora and patent assignments to Prevoty, Prevoty received
15 approximately \$700,000 on March 20, 2013, approximately \$2,400,000 on
16 December 17, 2014, and approximately \$8,000,000 on March 8, 2015 from
17 investment firms.

18 **FIRST CAUSE OF ACTION**

19 **(Judicial Reinstatement of Agora)**

20 76. Plaintiffs restate and incorporate by reference their previous allegations
21 above, as if fully set forth herein.

22 77. Agora was duly registered as a limited liability company with the
23 California Secretary of State on or around February 22, 2012.

24 78. Anand, Hullinger and de Bont were each equal members of Agora with
25 an equal one-third ownership interest in Agora.

26 79. Anand's May 1, 2012 email to Hullinger and de Bont explicitly
27 confirmed that Anand, Hullinger and de Bont would each hold a one-third
28 ownership interest as co-founders and members of Agora.

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1 80. On October 24, 2014, Anand filed with the California Secretary of State
2 a fraudulent Certificate of Cancellation purporting to dissolve Agora as a California
3 LLC.

4 81. Anand included materially false factual representations in the October
5 24, 2014 Certificate of Cancellation, including false representations that the
6 dissolution was authorized by a vote of all of the members and that he was the "sole
7 member" of Agora.

8 82. Anand did not have authorization to unilaterally dissolve Agora as a
9 California LLC, and his submission of the Certificate of Cancellation to the
10 California Secretary of State on behalf of Agora was fraudulent.

11 83. In approving the Certificate of Cancellation for Agora, the California
12 Secretary of State relied upon the fraudulent information submitted in Anand's
13 Certificate of Cancellation.

14 84. Pursuant to California Government Code § 12261(a)(1) and/or
15 12261(a)(2), Plaintiffs request a judicial order for the reinstatement of Agora as a
16 California limited liability company.

17 **SECOND CAUSE OF ACTION**

18 **(Wrongful Dissolution of Agora, Against Defendant Anand)**

19 85. Plaintiffs restate and incorporate by reference their previous allegations
20 above, as if fully set forth herein.

21 86. Agora was duly registered as a limited liability company with the
22 California Secretary of State on or around February 22, 2012.

23 87. Anand, Hullinger and de Bont were each equal members of Agora with
24 an equal one-third ownership interest in Agora.

25 88. Anand's May 1, 2012 email to Hullinger and de Bont explicitly
26 confirmed that Anand, Hullinger and de Bont would each hold a one-third
27 ownership interest as co-founders and members of Agora.

28 89. Anand wrongfully dissolved Agora when he filed the Certificate of

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1 Cancellation with the Secretary of State on October 24, 2014, falsely listing himself
2 as Agora's sole member.

3 90. Pursuant to Cal. Corp. Code § 17704.07, Anand has wrongfully caused
4 the dissolution of Agora and has lost the right to participate in management as a
5 member and a manager of the LLC, thereby forfeiting any and all authority
6 previously vested in him with respect to Agora.

7 **THIRD CAUSE OF ACTION**

8 **(Judicial Order to Expel Defendants Anand and Bellanger from Agora)**

9 91. Plaintiffs restate and incorporate by reference their previous allegations
10 above, as if fully set forth herein.

11 92. Agora was duly registered as a limited liability company with the
12 California Secretary of State on or around February 22, 2012.

13 93. Anand, Hullinger and de Bont were each equal members of Agora with
14 an equal one-third ownership interest in Agora.

15 94. Anand's May 1, 2012 email to Hullinger and de Bont explicitly
16 confirmed that Anand, Hullinger and de Bont would each hold a one-third
17 ownership interest as co-founders and members of Agora.

18 95. Anand began to include Bellanger in the company's strategic decisions
19 in early 2013.

20 96. Anand and Bellanger have engaged and continue to engage in wrongful
21 conduct that has adversely and materially affected Agora's activities.

22 97. Anand and Bellanger have engaged and continue to engage in conduct
23 relating to Agora's activities that make it not reasonably practicable to carry on
24 activities with Hullinger and/or de Bont as members of Agora.

25 98. Anand should be expelled from Agora by judicial order, under Cal.
26 Corp. Code § 17706.02(e).

27 99. To the extent Bellanger is or was a member of Agora, Bellanger should
28 be expelled from Agora by judicial order, under Cal. Corp. Code § 17706.02(e).

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FOURTH CAUSE OF ACTION

(Correction of Inventorship, 35 U.S.C. § 256)

100. Plaintiffs restate and incorporate by reference their previous allegations above, as if fully set forth herein.

101. Hullinger, de Bont and Anand jointly conceived of and/or contributed to inventions claimed in the '722 Patent and '622 Application.

102. Hullinger, de Bont and Anand are co-inventors of the claimed subject matter in the '722 Patent and '622 Application.

103. Hullinger and de Bont were omitted as named inventors on the '722 Patent and '622 Application without any fraud on their part.

104. Inventorship on the '722 Patent and '622 Application should be corrected under 35 U.S.C. § 256 to reflect Hullinger and de Bont as named inventors. Hullinger and de Bont are entitled to a judgment that both are inventors of the inventions claimed in the '722 Patent and '622 Application.

FIFTH CAUSE OF ACTION

(Breach of Fiduciary Duty, Against Defendants Anand and Bellanger)

105. Plaintiffs restate and incorporate by reference their previous allegations above, as if fully set forth herein.

106. Agora was duly registered as a limited liability company with the California Secretary of State on or around February 22, 2012.

107. Anand, Hullinger and de Bont were each equal members of Agora with an equal one-third ownership interest in Agora.

108. Anand's May 1, 2012 email to Hullinger and de Bont explicitly confirmed that Anand, Hullinger and de Bont would each hold a one-third ownership interest as co-founders and members of Agora.

109. Hullinger, de Bont and Anand collaborated to develop Agora and its software technology. Each member of the team contributed substantially to Agora's development as a company, including optimization of Agora's technology, reaching

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1 out to prospective investors and pitching Agora's technology to a number of
2 potential customers.

3 110. Agora was a member-managed LLC, and Anand was a managing
4 member of Agora.

5 111. Anand held the title of CEO of Agora. Anand held himself out as CEO
6 of Agora.

7 112. As a member, managing member and CEO of Agora, Anand owed
8 Plaintiffs fiduciary duties of loyalty and care.

9 113. By virtue of these fiduciary duties, Anand was required to act in the
10 utmost good faith towards Plaintiffs and to avoid acts and omissions adverse to
11 Plaintiffs' business interests.

12 114. Anand breached his fiduciary duties to Agora, Hullinger and de Bont by
13 *inter alia* (a) starting a competing business, namely Prevoty; (b) unilaterally shutting
14 down Agora's business operations; (c) shutting out Hullinger and de Bont from their
15 Agora emails and other documents hosted on the agorasec.com network; (d) falsely
16 claiming to be the sole member of Agora; (e) falsely claiming that the members of
17 Agora had voted for dissolution; (f) unilaterally filing a Certificate of Cancellation
18 for Agora; (g) promising to file paperwork with the California Secretary of State
19 identifying Hullinger and de Bont as equal members and co-founders of Agora, and
20 representing that he had done so, when Anand had never filed such papers and had
21 no intention of doing so; (h) abandoning Agora's business efforts in the midst of on-
22 going efforts to secure contracts with potential customers and inventors; (i) failing to
23 assign intellectual property rights, including in the '722 Patent and '622 Application,
24 to Agora; (j) failing to name Hullinger and de Bont as inventors on the '722 Patent
25 and '622 Application; (k) assigning (or purporting to assign) Agora's intellectual
26 property rights to Prevoty, despite obligations to assign the intellectual property
27 rights to Agora; (l) misappropriating Agora's trade secrets and other property, such
28 as the Agora Blue Source Code and other proprietary software related to Agora

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1 Blue, for use by a competing company; (m) soliciting investment and customers for
2 a competing company; (n) acting as CTO of a competing company; (o) failing to
3 disclose the conduct described above, which created a conflict of interest for Anand;
4 (p) conspiring with others to commit the wrongful conduct described above; (q)
5 embezzling money from Agora, including unilaterally emptying the company's bank
6 accounts and keeping the withdrawn cash for himself; (r) failing to wind up Agora
7 and distribute remaining assets to the other members after unilaterally purporting to
8 dissolve the company; and (s) other wrongful conduct.

9 115. As a member, managing member and CEO of Agora, Anand had a
10 fiduciary duty to apprise Hullinger and de Bont of any corporate opportunity before
11 seizing it. Anand, however, kept Prevoty a secret from Hullinger and de Bont in
12 order to reap the benefits of Agora to the exclusion of Plaintiffs.

13 116. On information and belief, Anand knowingly and willfully performed all
14 the aforementioned activities to financially benefit himself at Plaintiffs' expense.

15 117. As a result of Anand's breach of his fiduciary duties, Plaintiffs have
16 been irreparably injured and have suffered significant monetary damages in an
17 amount to be proven at trial.

18 118. By agreeing to be involved in Agora's strategic and investment
19 decisions—and by accepting access to Agora's confidential and proprietary
20 materials and information—Defendant Bellanger also undertook fiduciary duties to
21 Agora and its members.

22 119. Bellanger breached his fiduciary duties to Agora, Hullinger and de Bont
23 by *inter alia* (a) starting a competing business, namely Prevoty; (b) misappropriating
24 Agora's trade secrets and other property, such as the Agora Blue Source Code and
25 other proprietary software related to Agora Blue, for use by a competing company;
26 (c) soliciting investment and customers for a competing company; (d) acting as CEO
27 of a competing company; (e) failing to disclose the conduct described above, which
28 created a conflict of interest for Bellanger; (f) conspiring with Anand and others to

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1 commit the wrongful conduct described above; and (g) other wrongful conduct.

2 120. As a result of Bellanger's breach of his fiduciary duties, Plaintiffs have
3 been irreparably injured and have suffered significant monetary damages in an
4 amount to be proven at trial.

5 121. Defendants have also acted with fraud, oppression and/or malice.
6 Accordingly, Plaintiffs also seek an award of punitive and special damages.

7 **SIXTH CAUSE OF ACTION**

8 **(Declaratory Judgment of Agora's Ownership of Intellectual Property, Against**
9 **Anand and Prevoty)**

10 122. Plaintiffs restate and incorporate by reference their previous allegations
11 above, as if fully set forth herein.

12 123. As a member, managing member and CEO of Agora, Anand had a
13 fiduciary duty to assign any and all patents, copyrights and other intellectual
14 property developed in connection with his work for Agora that relates to Agora's
15 business.

16 124. Hullinger, de Bont and Anand jointly conceived of and/or contributed to
17 the inventions claimed in the '722 Patent and '622 Application. Each had a duty to
18 assign his interest in the patent and application to Agora.

19 125. In violation of his fiduciary duties to Agora, Hullinger and de Bont,
20 Anand purported to assign his entire interest in the '722 Patent and '622 Application
21 to Prevoty, a competitor of Agora.

22 126. Anand's purported assignments of his interest in the '722 Patent and
23 '622 Application to Prevoty are void because (1) Anand was only one of three co-
24 inventors of the claimed inventions, and (2) Anand was under a fiduciary obligation
25 to assign his intellectual property rights to Agora.

26 127. Agora is the rightful owner of all rights and interest in the '722 Patent
27 and '622 Application, as well as any U.S. or foreign applications or issued patents
28 claiming priority therefrom or relating thereto. To the extent necessary, Anand

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1 and/or Prevoty should be enjoined to assign all such rights and title to Agora.

2 **SEVENTH CAUSE OF ACTION**

3 **(Declaratory Judgment of Agora's Ownership of Prevoty, Against Anand,**
4 **Bellanger and Prevoty)**

5 128. Plaintiffs restate and incorporate by reference their previous allegations
6 above, as if fully set forth herein.

7 129. As a member, managing member and CEO of Agora, Anand had a
8 fiduciary duty to refrain from competing with Agora and to refrain from seizing for
9 himself opportunities that rightfully belong to the company. Anand further had a
10 fiduciary duty to account to Agora and its members for any property, profit or
11 benefit derived by Anand in the conduct of the LLC's business, or through use of the
12 LLC's property or information, including through the appropriation of any LLC
13 opportunities.

14 130. By agreeing to be involved in Agora's strategic and investment
15 decisions—and by accepting access to Agora's confidential and proprietary
16 materials and information—Defendant Bellanger also undertook these fiduciary
17 duties to Agora and its members.

18 131. In violation of these fiduciary duties, Anand and Bellanger conspired to
19 create a new company (Prevoty) that competes directly with Agora, shut down
20 Agora's business operations and shut out Hullinger and de Bont from Agora's
21 business operations, converted Agora's physical property and misappropriated
22 Agora's trade secrets, confidential information and other intellectual property for the
23 benefit of the new company, and appropriated customer and investment
24 opportunities—all at the expense of Agora and its other members.

25 132. Agora is entitled to an accounting and recovery of all property, profit or
26 benefit derived through use of Agora's property or information, including through
27 the appropriation of any LLC opportunities, including without limitation (a) all stock
28 of Prevoty, (b) all salaries, bonuses, profits and other benefits received by

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1 Defendants Prevoty, Anand and/or Bellanger, (c) all moneys and other consideration
2 received as investments by Defendants Prevoty, Anand and/or Bellanger, and (d)
3 any other property, profit or benefit derived through the conduct of a business that
4 competes with Agora, or through use of Agora's property or information, or through
5 the appropriation of any of Agora's opportunities.

6 **EIGHTH CAUSE OF ACTION**

7 **(Aiding and Abetting Breach of a Fiduciary Duty, Against Anand, Bellanger and**
8 **Prevoty)**

9 133. Plaintiffs restate and incorporate by reference their previous allegations
10 above, as if fully set forth herein.

11 134. Bellanger and Anand each assisted the other in breaching his fiduciary
12 duties owed to Plaintiffs.

13 135. Bellanger was aware of Anand's role as a member, managing member
14 and CEO of Agora. Accordingly, Bellanger was on notice as to Anand's fiduciary
15 duties owed to Agora and its members.

16 136. Anand was also aware of Bellanger's role with Agora, as Anand had
17 introduced Bellanger and provided him with access to Agora's confidential and
18 proprietary materials. Accordingly, Anand was also on notice as to Bellanger's
19 fiduciary duties owed to Agora and its members.

20 137. Bellanger took concrete steps to facilitate Anand's breach of his
21 fiduciary duties. Among other things, Bellanger registered the domain name
22 Prevoty.com, assisted Anand in setting up a competing company, agreed to act as
23 CEO of the new company, consented to Anand's role as CTO of the new competing
24 company, and aided and facilitated Anand's misappropriation and conversion of
25 property and opportunities belonging to Agora. Bellanger also serves as Prevoty's
26 Agent for Service of Process in California.

27 138. On information and belief, Bellanger encouraged Anand to shut out
28 Hullinger and de Bont from Agora and to form Prevoty without them.

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1 139. On information and belief, Bellanger and Anand secretly collaborated to
2 develop and establish Prevoty while working at Agora, while withholding such
3 information from Hullinger and de Bont.

4 140. Anand also took concrete steps to facilitate Bellanger's breach of his
5 fiduciary duties. Among other things, Anand facilitated Bellanger's access to
6 confidential and proprietary materials at Agora, assisted Bellanger in incorporating a
7 competing business, agreed to act as CTO of the new company, consented to
8 Bellanger's role as CEO of the new competing company, and aided and facilitated
9 the misappropriation and conversion of property and opportunities belonging to
10 Agora.

11 141. On information and belief, Anand and Bellanger willingly performed the
12 above actions having knowledge of the other's fiduciary duties to Plaintiffs.

13 142. As a result of Anand and Bellanger's aiding and abetting of the other's
14 breach of fiduciary duties owed to Plaintiffs, Plaintiffs have suffered and continue to
15 suffer significant damage in an amount to be proven at trial.

16 143. Defendants have also acted with fraud, oppression and/or malice.
17 Accordingly, Plaintiffs also seek an award of punitive and special damages.

18 **NINTH CAUSE OF ACTION**

19 **(Fraud, Against Anand)**

20 144. Plaintiffs restate and incorporate by reference their previous allegations
21 above, as if fully set forth herein.

22 145. Agora was duly registered as a limited liability company with the
23 California Secretary of State on or around February 22, 2012.

24 146. Anand, Hullinger and de Bont were each equal members of Agora with
25 an equal one-third ownership interest in Agora.

26 147. On March 30, 2012, Anand filed Agora's Statement of Information with
27 the California Secretary of State, identifying himself as the sole managing member
28 of Agora.

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1 148. On May 1, 2012, Anand sent Hullinger and de Bont an email
2 representing that the "LLC has been amended" to include both of them as co-
3 founders. In the May 1, 2012 email, Anand represented that the "revised Statement
4 of Information document has been sent to the State of California."

5 149. On October 24, 2014, Anand unilaterally filed a Certificate of
6 Cancellation for Agora with the California Secretary of State. In the filing with the
7 California Secretary of State, Anand purported to be the sole member of Agora. In
8 the same document, Anand further represented that dissolution of Agora "was made
9 by the vote of all of the members."

10 150. Based upon Anand's statements in the Certificate of Cancellation, it
11 appears likely that Anand's statements in his May 1, 2012 email were false, and that
12 Anand never sent any revised Statement of Information to the California Secretary
13 of State. Plaintiffs, however, did not discover the falsity of these statements until
14 recently.

15 151. Moreover, by virtue of his fiduciary relationship with Plaintiffs, Anand
16 had a duty to inform Plaintiffs if he was creating any competing business.

17 152. Anand failed to disclose material information to Hullinger and de Bont
18 regarding his plans to form Prevoty, a competing company.

19 153. On information and belief, all such representations regarding Agora's
20 LLC documents were false at the time they were made and were known to be false
21 by Anand at such times.

22 154. On information and belief, all such omissions regarding Agora's LLC
23 documents were material at the time they were omitted and were known to be
24 material by Anand at such times.

25 155. On information and belief, Anand's fraudulent representations and
26 omissions were made with the intent to defraud Hullinger and de Bont and to induce
27 Hullinger and de Bont to continue developing Agora and its software technology so
28 that he may benefit from Hullinger and de Bont's efforts and contributions.

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1 156. Hullinger and de Bont justifiably relied on the material information, or
2 lack thereof, provided by Anand. Hullinger and de Bont had no reason to believe
3 that Anand failed to add them as legal members of Agora or that Anand was secretly
4 developing and establishing a competing company while actively promoting Agora's
5 business and technology.

6 157. Hullinger and de Bont have suffered significant and irreparable damages
7 as a result of Anand's fraudulent misrepresentations and omissions and request
8 compensatory and punitive damages in an amount to be proven at trial.

9 158. Anand's statements in the Certificate of Cancellation are false. Even if
10 Anand never revised the Statement of Information, Hullinger and de Bont were
11 legally members and owners of Agora. Anand was not the "sole member" of the
12 LLC, nor had the members taken a vote to dissolve the LLC.

13 159. To the detriment of Plaintiffs, the Secretary of State reasonably relied on
14 Anand's false statements in dissolving Agora.

15 160. Plaintiffs seek damages in an amount to be proven at trial.

16 161. Defendants have also acted with fraud, oppression and/or malice.
17 Accordingly, Plaintiffs also seek an award of punitive and special damages.

18 162. Plaintiffs have also suffered significant and irreparable damages as a
19 result of Anand's fraudulent representations to the Secretary of State.

20 **TENTH CAUSE OF ACTION**

21 **(Misappropriation of Trade Secrets, Against Anand, Bellanger and Prevoty)**

22 163. Plaintiffs restate and incorporate by reference their previous allegations
23 above, as if fully set forth herein.

24 164. Plaintiffs' confidential information, including the Agora Blue Source
25 Code, relating to Agora's unique underlying software technology derives
26 independent economic value from not being widely known to the public, and
27 Plaintiffs used reasonable means to maintain its secrecy.

28 165. On information and belief, Anand, Bellanger and Prevoty knew or had

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1 reason to know that Agora's proprietary information, including the Agora Blue
2 Source Code, was protected as a trade secret.

3 166. Anand and Bellanger, as fiduciaries to Agora, were under a duty to
4 maintain the secrecy of Agora's trade secrets and confidential information.

5 167. On information and belief, Defendants improperly appropriated
6 Plaintiffs' confidential and proprietary information and trade secrets, through
7 misrepresentations and other improper means, and used such information without
8 Plaintiffs' express or implied consent, despite having knowledge or reason to know
9 that said acquisition and use was in breach of Anand's and Bellanger's duty to
10 maintain the information's secrecy and value.

11 168. Defendants' misappropriation of Agora's trade secrets violates § 3426.1
12 of the California Civil Code, *i.e.* the Uniform Trade Secrets Act (UTSA).

13 169. As a result of Defendants' unlawful misappropriation and use of Agora's
14 confidential and proprietary information and trade secrets, Plaintiffs have suffered
15 significant harm, entitling them to an injunction under § 3426.2(a) of the UTSA to
16 prevent Defendants' use of such information and materials, damages and attorneys
17 fees under §§ 3426.3(a) and 3426.4 of the UTSA, and exemplary damages under §
18 3426.3(c), for Defendants' willful and malicious misappropriation of Plaintiffs trade
19 secrets.

20 **ELEVENTH CAUSE OF ACTION**

21 **Violation of Lanham Act, Section 43(a)**

22 **(Unfair Competition under 15 U.S.C. § 1125(a), Against Anand, Bellanger and**
23 **Prevoty)**

24 170. Plaintiffs restate and incorporate by reference their previous allegations
25 above, as if fully set forth herein.

26 171. In light of the proprietary technology that was conceived of and
27 developed by Agora's members to further Agora's business, Defendants' scheming
28 tactics to wrongfully shut down Agora, usurp intellectual property owned by Agora

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1 and market such intellectual property as their own, to the exclusion of Agora and its
2 other members, constitutes unlawful, unfair, and/or deceptive business practices in
3 violation of 15 U.S.C. § 1125(a).

4 172. Defendants' unauthorized and infringing use and promotion of the
5 Agora Blue technology under the Prevoty name, after wrongfully forcing Agora to
6 terminate, misrepresents the nature, qualities and/or geographic origin of Agora's
7 and Prevoty's goods and services.

8 173. Defendants knew or should have known that its unauthorized and
9 infringing use and promotion of the Agora Blue technology under the Prevoty name
10 misrepresents the nature, qualities and geographic origin of Agora's and Prevoty's
11 goods and services.

12 174. Defendants' unauthorized and infringing use and promotion of the
13 Agora Blue technology under the Prevoty name, after wrongfully forcing Agora to
14 terminate and stop competing, severely hinders fair competition.

15 175. As an actual and proximate result of Defendants' willful and unfair,
16 unlawful, and/or deceptive business practices, Plaintiffs have suffered and continue
17 to suffer irreparable harm and damage to their business, reputation and goodwill.

18 176. Pursuant to 15 U.S.C. § 1117, Plaintiffs are entitled to damages for
19 Defendants' Lanham Act violations, an accounting for profits made by Defendants
20 on sales of any Prevoty products or services using the Agora Blue Source Code
21 and/or underlying technology, as well as recovery of the costs of this action.
22 Furthermore, Plaintiffs are informed and believe, and on that basis allege, that
23 Defendants' conduct was undertaken willfully and with the intention to misrepresent
24 the products and/or services at issue, making this an exceptional case entitling
25 Plaintiffs to recover additional damages and reasonable attorneys' fees pursuant to
26 15 U.S.C. § 1117.

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TWELFTH CAUSE OF ACTION

**(Violation of California Unfair Competition Law, CA Bus. & Prof. Code
§ 17200)**

(Against Anand, Bellanger and Prevoty)

177. Plaintiffs restate and incorporate by reference their previous allegations above, as if fully set forth herein.

178. At the time that Prevoty was created, Agora and Prevoty were direct competitors in the application security monitoring industry.

179. Defendants have engaged in unfair and/or unlawful business practices within the meaning of California's Business and Professions Code § 17200 because, in California and throughout the country, and through various channels of interstate commerce, Defendants have engaged in misappropriation of intellectual property and unfair competitive practices, which violate 15 U.S.C. § 1125(a), among other violations.

180. Defendants' unauthorized and infringing use and promotion of the Agora Blue technology under the Prevoty name, after wrongfully forcing Agora to terminate, has damaged and continues to damage fair competition within the application security monitoring industry, including in California.

181. Defendants' conduct has been anticompetitive, as well as immoral, unethical, oppressive, unscrupulous and substantially injurious to consumers.

182. Defendants' conduct is not beneficial, but in any event, the harm caused by Defendants' conduct outweighs any benefits.

183. Pursuant to California's Business and Professions Code §§ 17203 & 17206, Plaintiffs are entitled to injunctive relief, restitution and disgorgement of Defendants' profits obtained through its unfair competitive practices, to the maximum extent permitted by law.

184. Unless enjoined, Defendants will continue to unfairly compete with Plaintiffs in California, causing harm to the relevant consumers.

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THIRTEENTH CAUSE OF ACTION

(Conversion, Against Anand, Bellanger and Prevoty)

185. Plaintiffs restate and incorporate by reference their previous allegations above, as if fully set forth herein.

186. Plaintiffs owned, possessed and/or were entitled to immediate possession of personal property, intellectual property, and other assets, which were converted by Defendants. The converted property includes, among other things, confidential methods, source code, programming, software, documents, emails and other papers, patents and cash held in various bank accounts.

187. Defendants substantially interfered with Plaintiffs' possession and control of their property.

188. Among other things, Defendants substantially interfered with Plaintiffs' possession and control of their property by taking and using Agora's property and other papers when developing and promoting Prevoty's business and technology.

189. Moreover, the methods, source code, programming and software pertaining to Agora's technology all constitute intellectual and physical property created for and rightfully belonging to Plaintiffs. As such, Plaintiffs are entitled to exercise control and ownership over such property.

190. Further, as alleged above, Anand filed with the PTO two patent applications in his own name – the '622 and '807 Applications – describing methods to secure user-generated content through tokenization and parsing. He subsequently assigned these patent applications to Prevoty on December 16, 2014—assignments that Prevoty accepted. The technology in Anand's patent applications constituted the same underlying technology offered by Agora in the Agora Blue product, and is rightfully owned by Agora.

191. Defendants Anand, Bellanger and Prevoty have intentionally and substantially interfered with Agora's property rights by patenting, taking possession of and transferring such intellectual property to Prevoty without Plaintiffs' consent.

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1 192. As a result of Defendants' unlawful conversion, Plaintiffs have suffered
2 significant damages and lost profits in an amount to be proven at trial.

3 193. Plaintiffs are also entitled to preliminary and permanent injunctive relief
4 ordering the return of their property.

5 194. Defendants have also acted with fraud, oppression and/or malice.
6 Accordingly, Plaintiffs also seek an award of punitive and special damages.

7 **FOURTEENTH CAUSE OF ACTION**

8 **(Trespass to Chattels, Against Anand)**

9 195. Plaintiffs restate and incorporate by reference their previous allegations,
10 as if fully set forth herein.

11 196. As members and officers of Agora, Hullinger and de Bont were in
12 rightful possession of their Agora email accounts and documents on Agora's shared
13 hard drive.

14 197. Anand intentionally and substantially interfered with Hullinger and de
15 Bont's access to their Agora email accounts and to Agora's shared drive when he
16 unilaterally shut down Agora's network.

17 198. Hullinger and de Bont's email accounts contained valuable information
18 related to their contributions to Agora's proprietary technology and business
19 development strategies.

20 199. Anand's interference has permanently deprived Hullinger and de Bont of
21 access to their Agora email accounts and shared drive, preventing them from
22 obtaining documents and materials, which they have a right to possess.

23 200. In so doing, Anand intentionally and substantially interfered with
24 Hullinger and de Bont's property rights without their consent.

25 201. As a proximate result of Anand's unlawful conduct, Hullinger and de
26 Bont have suffered significant damages in an amount to be proven at trial.

27 202. Defendants have also acted with fraud, oppression and/or malice.
28 Accordingly, Plaintiffs also seek an award of punitive and special damages.

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FIFTEENTH CAUSE OF ACTION

(Civil Conspiracy, Against Anand, Bellanger and Prevoty)

203. Plaintiffs restate and incorporate by reference their previous allegations, as if fully set forth herein.

204. Defendants have conspired to implement the wrongful conduct alleged above.

205. On information and belief, Anand and Bellanger surreptitiously agreed—either orally, in writing and/or implicitly through their actions—to undertake the wrongful conduct described above, including shutting down Agora's operations, shutting out Hullinger and de Bont from their emails and the Agora network, forming a new competing company (Prevoty), dissolving Agora, misappropriating and converting Agora's property, assigning Agora's intellectual property rights to Prevoty, and failing to disclose such conduct to Plaintiffs. In doing so, Anand and Bellanger acted both in their personal capacity and in their respective roles with Prevoty.

206. Each of the Defendants was aware of the wrongful conduct and intended that it should occur.

207. Accordingly, each of the Defendants is responsible and liable for the harm caused by the other co-conspirators alleged above.

208. Defendants have also acted with fraud, oppression and/or malice. Accordingly, Plaintiffs also seek an award of punitive and special damages.

ADDITIONAL CAUSES OF ACTION RESERVED

209. Plaintiffs restate and incorporate by reference their previous allegations, as if fully set forth herein.

210. Once Agora is reinstituted as an LLC and the '722 Patent is properly assigned to Agora, Plaintiffs are likely to amend their Complaint to add a claim for patent infringement.

211. Plaintiffs are investigating whether Defendants have also infringed

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1 Plaintiffs' copyright in various source code and other writings belonging to
2 Plaintiffs. Plaintiffs are likely to amend their Complaint to add claims for copyright
3 infringement after discovery on such issues.

4 212. Plaintiffs also intend to seek discovery to ascertain the names of other
5 individuals and/or entities that conspired with Defendants and/or aided Defendants
6 in committing the wrongs alleged above. Plaintiffs intend to amend their Complaint
7 to add claims against these individuals and/or entities.

8 213. Plaintiffs also reserve the right to otherwise amend their Complaint
9 and/or add parties, to the extent permitted by the Court's scheduling order and by the
10 Federal Rules of Civil Procedure.

11 **DEMAND FOR JURY TRIAL**

12 214. Plaintiffs hereby demand a jury trial on all claims, damages and any
13 other issues presented herein that are triable to a jury.

14 **RELIEF REQUESTED**

15 WHEREFORE, Plaintiffs pray that the Court enter judgment against
16 Defendants Anand, Bellanger and Prevoty and in favor of Plaintiffs as follows:

- 17 A. Declare that Anand wrongfully caused the dissolution of Agora under
18 Cal. Corp. Code § 17704.07;
- 19 B. Order the California Secretary of State to reinstate Agora as an active
20 limited liability company, under California Government Code
21 § 12261(a)(1) and/or 12261(a)(2). To the extent that Agora is not
22 reinstated, Plaintiffs Hullinger and de Bont raise their claims asserted
23 herein as former owners of Agora, and seek their pro rata share of
24 damages;
- 25 C. Declare that Anand has lost the right to participate in management as a
26 member and a manager of the LLC, thereby forfeiting any and all
27 authority previously vested in him with respect to Agora;
28

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- 1 D. Order that Anand and Bellanger be expelled from Agora, under Cal.
2 Corp. Code § 17706.02(e);
3 E. Order correction of inventorship on the '722 Patent and '622
4 Application by adding Hullinger and de Bont as named inventors;
5 F. Judgment that Anand and Bellanger breached their fiduciary duties to
6 Plaintiffs, and that all of the Defendants aided Anand and Bellanger's
7 breach of fiduciary duties;
8 G. Declaration that the '722 Patent and '622 Application are owned by
9 Agora, and an injunction ordering Anand and Prevoty to assign such
10 rights to Agora;
11 H. Declaration that all stock, profits, investments and other property of
12 Prevoty—including any salary, bonuses or other moneys or benefits
13 received by Anand or Bellanger—rightfully belong to Agora, with an
14 accounting of all such stock, profits, investments and other property;
15 I. Order enjoining Anand from preventing Plaintiffs' access to Agora's
16 email accounts and shared drive;
17 J. Judgment that Defendants have committed fraud, misappropriated
18 Agora's confidential/proprietary information trade secrets, unfairly
19 competed under California and federal law, and wrongfully converted
20 Agora's property;
21 K. Compensatory damages caused by Defendants' wrongful conduct
22 outlined herein, to be proven at trial;
23 L. Punitive damages for Defendants' intentional, malicious, fraudulent
24 and/or oppressive conduct, and willful and malicious misappropriation
25 of Plaintiffs' trade secrets;
26 M. A preliminary and permanent injunction preventing Defendants' use of
27 Plaintiffs' confidential trade secrets;
28

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- 1 N. Disgorging of profits and unjust enrichment that have otherwise accrued
2 to Defendants as a result of their wrongful conduct outlined above;
3 O. An award of costs and attorneys' fees to the fullest extent permitted by
4 law;
5 P. Pre-judgment and post-judgment interest to the fullest extent provided
6 by law;
7 Q. Declaration that Defendants have engaged in a civil conspiracy, such
8 that each Defendant is jointly and severally liability for all moneys
9 awarded; and
10 R. Such other and further relief as the Court deems just and proper.

11 DATED: September __, 2015 By: _____

12 Guy Ruttenberg
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14 PROFESSIONAL CORPORATION
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21
22
23
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27
28

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EXHIBIT

A

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From: Kunal Aband kunal.aband@agorasec.com
Subject: LLC + Other Info
Date: May 1, 2012 at 3:27 PM
To: Ben de Bont ben.debont@agorasec.com, Jason Hullinger jason.hullinger@agorasec.com

LLC has been amended and now includes you both. Since there's an uneven percentage with there being 3 co-founders, it is setup as:

Ben: 33.33%
Jason: 33.33%
Kunal: 33.34%

We can change these percentages without going through the state - we can rock/paper scissors for the .01%. As of now, it looks like I'm buying you two some pizza. The revised Statement of Information document has been sent to the State of California. I will receive an updated agreement + incorporation documents within 7 business days. Ben - when you're back down, we can cut stock certificates and all sign the updated operating agreement.

Next, I've completed the EIN and will throw that document in Google Docs. We're officially an "employer" which means we can open up a bank account.

Two more forms need to be completed:

1. Seller's Permit
2. State Tax ID

Both require information from you both, such as address, SSN/TIN, etc. We can go over all that info on our call later tonight at 7pm. I'd like to submit both forms no later than tomorrow morning.

Let's also figure out which bank we want to go with - I'd like to get that account setup sometime this week. I'm leaning towards Wells Fargo or Chase but am open to anything other than BoA (they are really bad for business accounts). Jason and I can be co-signers on the account for now. Ben - we can add you when you come back to LA to sign some forms.

I'm also going to get an appointment setup with an accountant for mid/late-May.

Talk to you guys later tonight.

Kunal

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EXHIBIT

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Withdrawal

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Isabel Alvarez

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